

BX-4

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CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS	DATE	INITIALS		
1	Deputy Director (Support)	6/6/63	W		
2	7D18 Headquarters				
3	Gen Counsel	6/7/63	LPH		
4	DD/S 7D18		LPH		
5					
6					
ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
Remarks:					
<p>Please call if any questions</p> <p>Larry - would like to discuss briefly at your convenience. LPH</p> <p>Put out conversation LPH 6/7/63</p>					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO				DATE	
Director of Personnel				JUN 1963	
5E56 Headquarters					
UNCLASSIFIED		CONFIDENTIAL		SECRET	

14 JUN 1963
[Handwritten signature]

MEMORANDUM FOR : Deputy Director (Support)

SUBJECT : Standards of Insurance Coverage for Persons
Engaged in Hazardous or Sensitive Undertakings

1. The survey conducted during December 1962 to identify any unusual insurance or other death benefits plans or programs then in existence revealed a wide variation in dollar commitments to several types of employees engaged in unusual undertakings, only a few of which were covered by legitimate insurance policies. Even where an insurance company, such as Lloyds of London, had provided insurance coverage, the security problems of surfacing a claim to the company make these arrangements generally unsatisfactory. Where a simple death benefit had been provided the payment would have to come from Agency funds but would not have the tax free advantages to the beneficiary which insurance payments have.

2. To remove the wide variations now existing in the benefits provided and to establish a reasonably uniform system for applying insurance benefits to these and future cases, we propose that the amount of insurance offered be geared to the base salary of the person involved. Our formula would be to provide for payment for death from any cause of one year's base salary rounded up to the nearest thousand dollars (e.g., \$7500 base salary equals \$8,000 insurance). For accidental death resulting from performance of duty we propose the payment of an additional one year's base salary rounded up to the nearest thousand dollars. For injury or disability resulting from performance of duty we propose the payment of a maximum of one year's base salary rounded up to the nearest thousand dollars. While this constitutes the norm we propose, we could depart from it whenever circumstances dictate.

3. The negotiations for the services of an individual take into account the skills which he must employ and the hazards which he must face. Thus, through these negotiations we will usually arrive at a base salary figure which most nearly represents the person's value to us in the job to be done. The Federal Employees' Group Life Insurance coverage is based solely on salary. The same basic principle is applied by the Bureau of Employees' Compensation for injury and disability cases.

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